

## Message Text

CONFIDENTIAL

PAGE 01 LIMA 02309 101725Z

71

ACTION NEA-10

INFO OCT-01 ARA-06 EUR-12 ISO-00 AID-05 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02

OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05

SS-15 STR-04 CEA-01 OES-03 FEA-01 INT-05 /105 W

----- 074275

R 101344Z MAR 76

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 9245

INFO AMEMBASSY ABU DHABI

AMEMBASSY BOGOTA

AMEMBASSY BRASILIA

AMEMBASSY BUENOS AIRES

AMEMBASSY CAIRO

AMEMBASSY CARACAS

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY MADRID

AMEMBASSY TRIPOLI

C O N F I D E N T I A L LIMA 2309

EO 11652: GDS

TAGS: EINV, EMIN, EALT, EFIN, PE, SA, KU, LY, TC

SUBJ: ARAB FINANCIAL MISSION TO PERU AGREES TO FINANCE

PETROPERU SPUR LINE TO OCCIDENTAL FIELDS

REF: STATE 21187 (NOTAL), LIMA 1093 (NOTAL), LIMA 667 (NOTAL)

LIMA 531

1. PERUVIAN STATE DEVELOPMENT BANK (COFIDE) OFFICIAL INFORMED EMBASSY OFFICER THAT ARAB DELEGATION WHICH VISITED LIMA JANUARY 22-24 EXPRESSED CONSIDERABLE INTEREST DURING VISIT IN MAKING A LOAN OF \$100 MILLION TO GOP FOR COSTS OF PETROPERU'S SPUR LINE TO OCCIDENTAL'S FIELDS. OFFICIAL SAID THAT ALBERTO CERROLAZA, PRESIDENT OF THE "INSTITUTO CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LIMA 02309 101725Z

DE CREDITO OFICIAL DE ESPANA" RETURNED TO LIMA ALONE LAST

WEEK TO DISCUSS LOAN IN FURTHER DETAIL. ACCORDING TO OUR SOURCE, CERROLAZA TOLD PERUVIANS THAT THE ARABS (PRINCIPALLY KUWAIT, LIBYA, SAUDI ARABIA AND UAE) ARE AGREED TO MAKE A LOAN FOR THE SPUR LINE'S COST AT COMMERCIAL RATES. HE GAVE NO SPECIFICS, EXCEPT TO SAY THAT COFIDE BELIEVES ARAB MISSION MAY RETURN IN APRIL TO SIGN LOAN AGREEMENT.

2. OFFICIAL SAID THAT CERROLAZA TOLD HIM THAT ARABS MADE NO COMMITMENTS TO ANY OTHER COUNTRY DURING THEIR LA TRIP, AND WERE INTERESTED IN MAKING LOAN TO PERU BECAUSE OF ITS MILITANT THIRD WORLD POSTURE. OFFICIAL ALSO SAID THAT ACTUAL FINANCING WILL PROBABLY BE MADE THROUGH ARAB BANK (UNION DE BANQUES ARABES ET FRANCAISES-UBAF) IN PARIS. OFFICIAL DID NOT MENTION SPECIFIC ROLE THAT ABDULLAH SAUDI (STATE REFTEL) MAY HAVE PLAYED, EXCEPT TO SAY THAT LIBYANS ARE DIRECTLY INVOLVED IN PUTTING THE LOAN TOGETHER. HE ADDED THAT PERUVIANS BELIEVE THAT APPROXIMATELY 80 PERCENT OF TOTAL COSTS FOR FEEDER LINE WOULD BE MET THROUGH LOCAL CONTRACTORS, ALTHOUGH FOREIGN COSTS WOULD BE SUBSTANTIAL.

3. COMMENT: IF ARABS SIGN LOAN AGREEMENT, THIS WOULD BE THE FIRST KNOWN DIRECT ARAB LENDING TO PERU, AND COULD SUBSTANTIALLY ASSIST PERUVIANS IN MEETING THEIR OBLIGATIONS TO FINANCE THE FEEDER LINE TO OCCIDENTAL'S FIELDS BY THE BEGINNING OF 1978 AS CALLED FOR IN THEIR CONTRACT WITH OCCIDENTAL. IT WOULD ALSO CLEARLY REPRESENT A POLITICAL DECISION BY ARABS TO ASSIST PERU DURING A DIFFICULT ECONOMIC PERIOD. WHETHER ARAB LOAN WOULD AFFECT NEED FOR EXIMBANK LOAN FOR PURCHASES OF U.S. GOODS AND SERVICES FOR FEEDER LINE IS NOT YET CLEAR. WE WOULD APPRECIATE CORROBORATION OF ARAB INTEREST IN LOAN WHICH INFO POSTS MAY DEVELOP.  
DEAN

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CONSTRUCTION, ECONOMIC ASSISTANCE, PETROLEUM PIPELINES, OIL FIELDS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 MAR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** BoyleJA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976LIMA02309  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760091-0585  
**From:** LIMA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760376/aaaacpbz.tel  
**Line Count:** 96  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION NEA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 STATE 21187  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** BoyleJA  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 20 APR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <20 APR 2004 by ElyME>; APPROVED <16 AUG 2004 by BoyleJA>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ARAB FINANCIAL MISSION TO PERU AGREES TO FINANCE PETROPERU SPUR LINE TO OCCIDENTAL FIELDS  
**TAGS:** EINV, EMIN, ENRG, EFIN, PE, SA, KU, LY, TC, OCCIDENTAL, PETROPERU  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006